

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MINNESOTA**

In re: JOINTLY ADMINISTERED UNDER  
BKY 17-42726

WYNIT Distribution, LLC,	BKY 17-42726
WD Navarre Distribution, LLC,	BKY 17-42728
WD Encore Software, LLC,	BKY 17-42729
WD Navarre Holdings, LLC,	BKY 17-32864
WD Navarre Digital Services, LLC,	BKY 17-32865
WYNIT Holdings, Inc.,	BKY 17-32866
WD Navarre Canada, ULC,	BKY 17-32867

Debtors.

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**CONTINUING OBJECTION AND REQUEST FOR ADEQUATE PROTECTION  
OF MCAFEE, LLC IN RESPONSE TO THE DEBTORS' MOTION FOR INTERIM  
AND FINAL ORDERS GRANTING (I) AN EXPEDITED HEARING,  
(II) AUTHORITY TO (A) OBTAIN POSTPETITION FACILITY, (B) USE CASH  
COLLATERAL, AND (C) PROVIDE CERTAIN PROTECTIONS TO  
PREPETITION SENIOR LENDERS, AND (III) RELATED RELIEF**

McAfee, LLC ("McAfee") hereby files this continuing objection and request for adequate protection (the "Continuing Objection") in response to the *Debtors' Motion for Interim and Final Orders Granting (I) an Expedited Hearing, (II) Authority to (A) Obtain Postpetition Facility, (B) Use Cash Collateral, and (C) Provide Certain Protections to Prepetition Senior Lenders, and (III) Related Relief* [Docket No. 6] (the "DIP Financing Motion"),<sup>1</sup> which the debtors in the above-captioned chapter 11 cases (collectively, the "Debtors") filed on September 8, 2017. In support of this Objection, McAfee respectfully represents as follows:

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the DIP Financing Motion.

### **CONTINUING OBJECTION**

1. On September 13, 2017, McAfee filed its *Preliminary Objection and Request for Adequate Protection of McAfee, Inc. in Response to the Debtors' Motion for Interim and Final Orders Granting (I) an Expedited Hearing, (II) Authority to (A) Obtain Postpetition Facility, (B) Use Cash Collateral, and (C) Provide Certain Protections to Prepetition Senior Lenders, and (III) Related Relief* [Docket No. 49] (the "Preliminary Objection").

2. Through the Preliminary Objection, McAfee objected to numerous provisions of the proposed DIP financing that were prejudicial to McAfee's contractual rights and/or unsecured creditors. Through the Preliminary Objection, McAfee objected to numerous provisions of the proposed DIP financing that were prejudicial to McAfee's contractual rights and/or unsecured creditors. In addition, as there was no provision of adequate protection of McAfee's interest in products that McAfee contends it had delivered to the Debtors on a consignment basis and in receivables, cash proceeds and other proceeds of such products, McAfee does not consent to having its interests in such products, receivables, and/or proceeds primed and seeks from this Court that no such priming liens be granted.

3. McAfee's objections to the DIP Financing Motion and request for adequate protection as set forth in the Preliminary Objection are hereby incorporated by reference into this Continuing Objection as if fully set forth herein.

4. After McAfee filed the Preliminary Objection, McAfee's counsel and Wells Fargo Bank's counsel engaged in discussions regarding McAfee's objections and, ultimately, agreed to the form of a revised interim order granting the DIP Financing Motion that preserved McAfee's rights with respect to the products it contends it delivered to the Debtors on a

consignment basis and to receivables, cash proceeds and other proceeds thereof. Several of McAfee's other objections remained unresolved.

5. On September 13, 2017, the Court entered an order [Docket No. 56] (the "Interim Order") granting the DIP Financing Motion on an interim basis and scheduling a final hearing for September 27, 2017 (the "September 27 Hearing").

6. McAfee understands that as a result of the Debtors' and lenders' discussions with various parties, at the September 27 Hearing the Debtors will seek the entry of a second interim order (rather than a final order) granting the DIP Financing Motion.

7. To date, many of McAfee's objections raised in the Preliminary Objection have not been resolved by agreement among the parties or determined by the Court. Accordingly, McAfee files this Continuing Objection to restate its objections to the DIP Financing Motion on either a further interim basis or final basis. To the extent the Debtors seek entry of a second interim order, such order should explicitly provide that, notwithstanding anything to the contrary in the order, entry of the order is without prejudice to McAfee's objections to the DIP Financing Motion and the matters raised in McAfee's objections are expressly preserved.

#### **RESERVATION OF RIGHTS**

8. McAfee reserves all of its rights with respect to the DIP Financing Motion, including the right to supplement the Preliminary Objection or this Continuing Objection and to raise additional objections before or at the interim and/or final hearings to consider approval of the DIP Financing Motion. Nothing contained in, or omitted from, the Preliminary Objection or this Continuing Objection constitutes an admission by McAfee with respect to its claims against the Debtors.

**CONCLUSION**

WHEREFORE, McAfee respectfully requests that the Court (a) deny the DIP Financing Motion on either an interim basis or final basis unless the order addresses McAfee's objections, and (b) grant McAfee such other or further relief as the Court deems just and proper.

Dated: September 26, 2017

/s/ James M. Jorissen

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